

MINUTES

RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS' MEETING

March 28, 2014

The 336th meeting of the Rhode Island Higher Education Assistance Authority was held Friday, March 28, 2014. Chairwoman Ms. LaSalle called the meeting to order at 8:35 a.m.

Board Members in Attendance:

Ms. Faith LaSalle, Chairwoman

Dr. William Croasdale

Mr. John Howell

Mr. Robert J. Delaney

Mr. Daniel Egan

Mr. Dennis Duffy

Mr. Christopher Feisthamel, designee for General Treasurer Gina Raimondo

Also Attending:

Ms. Gail Mance-Rios, Acting Executive Director

Mr. Joseph Palumbo, Legal Counsel

Mr. Charles Miller, CIO

Mr. Marc Lacroix, CFO

Ms. Linda Makhoul, HR

Mr. Thomas Pearce, Account Resolution

Ms. Dana Peterson-Fatuda, RIHEAA

Mr. Michael Joyce, RIHEAA

Ms. Kathy Berard, RIHEAA

Mr. Nelson Sena, RIHEAA

Mr. Kevin Elliott, RIHEAA

Ms. Winnie Antos, RIHEAA

Ms. Lisa Shevlin, RIHEAA

Mr. Gary Lefrancois, RIHEAA

Ms. Holly Jensen, (Add)ventures

Mr. Steven Straychzak, Council 94

Mr. Ben Chandhok, Legislative Analyst

Ms. Beth Cotter, House Oversight Analyst

Ms. Laurie Brayton, Senate Analyst

Mr. Bruce Leach

1. The Minutes of the Board of Director's Meetings held on March 7, 2014, March 14, 2014 and March 21, 2014 were unanimously approved. It should be noted that Dr. Croasdale made a motion to amend the March 7, 2014 meetings notes to include the description of the agency. Dr. Croasdale added the agency was set-up separately by the state to run the State Scholarship and Grants.

2. Ms. LaSalle asked Ms. Mance-Rios to provide an overview of the power point presentation of the Agency Strategic Plan. Ms. Mance-Rios thanked Holly Jensen of (add) ventures for creating and

assisting with the power point slides.

Ms. Mance-Rios stated she will circulate to the board once the changes are completed.

Ms. Cotter suggested changing the language to include the statement of increase to the supplement of the RI State Grant, or reserves.

Ms. Mance-Rios provided an overview of the appendix slides.

Mr. Duffy suggested adding contract expirations of XAP in 2016 and CollegeBoundfund in 2015.

Dr. Croasdale asked to include the number of students who go to public vs. private colleges and universities, and how much money is spent to attend them.

Ms. Mance-Rios stated that she is meeting with Ms. Cotter on April 1st and the report is due April 3, 2014.

Ms. LaSalle asked for a motion to approve the Strategic Plan subject to the revisions discussed at today's meeting, which will be circulated to the board once the changes are finalized, was made by Dr. Croasdale and seconded by Mr. Howell. Mr. Palumbo stated we could designate someone among the group to give the final sign-off subject to editorial changes by the chair. The amendment was

seconded by Mr. Egan.

Voted in favor: Mr. Howell, Dr. Croasdale, Mr. Duffy, Mr. Delaney, Mr. Feisthamel, Mr. Egan and Ms. LaSalle.

Voted against: None

Ms. LaSalle stated she would like to make a motion to go into executive session pursuant to RIGL 42-46-5 § (a) (4) which involves an investigation proceedings matter of the US Department of Education letter, and pursuant to RIGL 42-46-5 § (a) (1)a personnel matter, was made by Mr. Egan and seconded by Mr. Feisthamel.

Executive session began at 9:30 a.m.

It should be noted that Mr. Howell left the meeting at 10:00 a.m.

Public session resumed at 10:00 a.m.

Mr. Palumbo stated the following employees will be the signatories on the accounts of Washington Trust and Webster Bank: Marc Lacroix – CFO, Gail Mance-Rios – Acting Executive Director, and Linda Makhlouf – Director of Program Administration.

Ms. LaSalle stated that no discussions were held with respect to

personnel matters.

Ms. LaSalle made a motion to keep the minutes of the executive session sealed, seconded by Dr. Croasdale and Mr. Delaney

Voted in favor: Dr. Croasdale, Mr. Duffy, Mr. Delaney, Mr. Feisthamel, Mr. Egan and Ms. LaSalle.

Voted against: None

3. Chairwoman's Report: Ms. LaSalle stated that she received a letter from Ms. Doyle stating that she could not fulfill her commitment to the board as she has a conflict with her schedule.

Ms. LaSalle stated that she would like the boards' permission to contact the Governor's Office and notify them of the vacant positions on the board.

Ms. LaSalle stated that Dr. Croasdale's term has expired and asked Dr. Croasdale to write a letter to the Governor to be reappointed.

It should be noted that Dr. Croasdale, Mr. Duffy and Mr. Egan left the meeting at 10:05 a.m.

4. Acting Executive Director's Report: Ms. Mance-Rios provided an update of the Senate Finance Committee meeting, and stated they

had questions regarding legislation, uses of agency reserves and a request of information about the Universal Savings Account. Ms. Mance-Rios stated that Senator DiPalma asked about the regulations for use of the Guaranty Agency Operation Fund. Ms. Mance-Rios will provide the committee with the answers similarly to the House Finance Committee.

Ms. Mance-Rios provided an update of the CollegeBoundfund. Ms. Mance-Rios stated that a new passively managed age-based program has been developed to track Morningstar Index funds.

Mr. Palumbo distributed a copy of the AllianceBernstein contract and stated that it is incumbent on them to notify RIHEAA of the Authority's ability to notify AllianceBernstein whether or not the agency wants to automatically renew at the current terms

Ms. LaSalle stated this is just for information purposes only, and will be discussed at a future board meeting.

Ms. Mance-Rios stated that as part of the US Department of Education Review, we are developing an RPF for Default Aversion Services.

There being no further business to come before the Board of Director's, the meeting adjourned.

Adjournment was at 10:10 a.m.

Mr. John Howell
Secretary